

m/017/001

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August 30, 1989

HAND DELIVERED

Mr. Lowell Braxton
Associate Director
State of Utah, Department
of Natural Resources
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RE: Plateau Resources
Limited/Nuclear Fuel
Services, Inc. - Transfer
of Notice of Intention,
Large Mining Operations

Dear Mr. Braxton:

As you know, at the August 24, 1989 meeting of the Board of Oil, Gas & Mining, Nuclear Fuel Services, Inc. ("NFS") request for approval of the form and amount of substitute surety under the Reclamation Contract covering the Tony M/Lucky Strike Mines and Frank M Mine. The approved form is a cash deposit in the amount of \$140,637.58 for the Tony M/Lucky Strike Mines (Act/017/001) and \$46,619.00 for the Frank M Mine (Act/017/017), a total of \$187,256.58. In compliance with the Board's action, I am enclosing our Pruitt, Gushee & Fletcher Trust Account Check No. 101, in the amount of \$187,256.58, payable to the order of the Utah Division of Oil, Gas & Mining.

Plateau Resources Limited should now be released from its reclamation obligations for the Tony M/Lucky Strike Mines and the Frank M Mine. If you have any questions or need additional documentation in that regard, please contact Plateau's General Manager, Ken May, at 533-8383.

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In a memorandum of May 24, 1989, from Scott Johnson, Reclamation Engineer, to Holland Shepherd, Permit Lead, it was suggested that the reclamation surety for the Frank M Mine could be reduced from \$46,619.00 to \$10,000.00, since the surface disturbance is not as great as initially anticipated. You indicated that a final decision thereon cannot be made until a surface investigation is completed but you doubted that the investigation could be finished in time for us to place a request for production on the agenda for the September Board Meeting. Please accept this letter as our request that an investigation be commenced at the Division's early convenience in order that we may have our request considered at the October Board Meeting.

As we have also discussed, NFS may request a change from its cash deposit reclamation surety to some other form. Most likely, we will also make that request for change at the October meeting.

If you have any questions, please feel free to call.

Yours truly,


F. Alan Fletcher

FAF/1h

Enclosure

cc: Mr. Paul F. Schutt
Mr. Dwight Ferguson
Mr. Frank A. Hahne
Mr. Ken May
Gregory P. Williams, Esq.
Oliver C. Murray, Esq.

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